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**ATTACHMENT 2**

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 205444

In the Matter of	)	
	)	
The Pay Telephone Reclassification and	)	CC Docket No. 96-128
Compensation Provisions of the	)	
Telecommunications Act of 1996	)	

**MOTION FOR EXTENSION OF TIME**

Callipso Corporation ("Callipso" or "Company"), through its undersigned counsel and pursuant to Section 1.46 of the Commission's Rules, 47 C.F.R. § 1.46, hereby requests an extension of time to file a Systems Audit Report as required by section 64.1320(b) of the Commission's rules and the *Report and Order* released in *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, FCC 03-235, CC Docket No. 96-128 (rel. October 3, 2003) ("*Report and Order*"). Specifically, Company seeks a 60-day extension, until September 1, 2004 of the July 1, 2004 reporting deadline.<sup>1</sup>

In the *Report and Order*, the Commission declined to classify enhanced service providers ("ESPs") as primary economic beneficiaries under the payphone compensation rules.<sup>2</sup> As a provider of IP-based services, Callipso is an ESP and, therefore, is not subject to the Commission's payphone compensation rules (*see* 47 C.F.R. § 64.1300 *et seq.*). Nonetheless, Callipso has decided to voluntarily adhere to the Commission's payphone compensation rules due to the demands of its carrier-customers and pressure from payphone service providers. As a

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<sup>1</sup> The Office of Management and Budget approved the Commission' Order on May 5, 2004, which set the July 1, 2004 reporting deadline. *See* OMB No. 3060-1046 and *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, Report and Order, FCC 03-235, CC Docket No. 96-128 (rel. October 3, 2003).

<sup>2</sup> *Report and Order* at fn 74.



voluntary participant, Callipso requests leniency from the Commission with regard to the July 1, 2004 deadline and any potential penalties that may be associated with a late-filed Systems Audit Report.

The Company has not had sufficient time in which to implement the auditing requirements due to some internal and external resource constraints. The Company is working diligently with its auditors to prepare and finalize its Systems Audit Report, but will be unable to meet the July 1, 2004 deadline. The Company and its auditor need additional time in which to properly analyze the information and data necessary to issue a Systems Audit Report in compliance with the AICPA standards. Accordingly, the Company requests a 60-day extension to ensure that the completed Audit Report is based on sufficient data.

To the extent necessary, the Company requests a waiver of the late filing penalty set out in the *Report and Order*.<sup>3</sup> As indicated above, Callipso, as an ESP, is volunteering to meet the payphone compensation requirements and should not be penalized for its decision. Moreover, the Company submits that no one will be harmed by the late-filed Systems Audit Report. The Company has implemented the necessary call tracking system and will make the requisite calculations and payments to ensure that payphone service providers are properly compensated. For these reasons, the Commission has good cause to waive any penalty.

For the reasons described herein, the Company requires additional time to meet the July 1, 2004 deadline. Accordingly, the Company hereby respectfully requests a 60-day extension of the reporting deadline, until September 1, 2004, to submit the Systems Audit Report to the Commission, to each payphone service provider for which it completes calls, and to each facilities-based long distance carrier from which it receives payphone calls.

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<sup>3</sup> The Commission stated that "the current base penalty for failure to file required forms or information with the Commission is \$3,000." *Report and Order* at ¶ 44.



**ATTACHMENT 3**



iBasis, Inc.  
20 Second Avenue  
Burlington, MA 01803

November 24, 2004

**By Electronic Filing:**

Marlene H. Dortch  
Secretary  
U.S. Federal Communications Commission  
445 12th Street, SW  
Washington, D.C. 20554

RE: iBasis, Inc. Updated Submission in CC Docket No. 96-128  
Addressing C.F.R. Section 64.1300 et. seq (inter alia, Requirement  
to File System Audit Report) (the "Rules")

Dear Secretary Dortch:

In conjunction with our June 30, 2004 submission, iBasis, Inc. is providing an update on our compliance with the Rules, with specific reference to our retail and wholesale businesses and our continuing reservation of rights with respect to our Internet telephony offerings.

**I. iBasis' Retail Prepaid Calling Card Offering**

A. Identification of Calls. In the case of iBasis' retail business, iBasis receives information sufficient to identify toll-free payphone originated calls. With respect to such calls, a basic and typical call path would be as follows:

- An end user customer originates an international call from a payphone through the use of a calling card issued by an iBasis distributor (by dialing a toll-free access number); then
- The LEC serving that payphone routes the call to the entity to which that toll-free number is assigned – what is known as a Responsible Organization or Resp-Org (iBasis will have contracted with the Resp-Org to maintain the toll-



free number on iBasis' behalf and iBasis receives information sufficient from the Resp-Org to identify toll-free payphone calls); then

- iBasis, through whatever interconnection arrangement is in place, takes the call from the Resp-Org's location to one of iBasis' international Internet telephony Gateways; then
- iBasis transports the call over the Internet to a terminating carrier or service partner in the foreign destination country.

B. iBasis' Role in Utilizing Payphone Services. iBasis has, as a matter of practice, voluntarily paid payphone compensation related to its retail business. This is because iBasis, by contract through its distributor relationships, is directly involved with debiting user accounts to cover the cost of such compensation. Unlike iBasis' wholesale Internet telephony business, discussed below, the involvement of other entities such as the originating LEC or Resp-Org that maintains our toll-free numbers is only incidental. Of course, iBasis does not waive any of its rights regarding legal responsibility for payphone compensation, but until such time as the law is clarified it will continue to remit payphone compensation related to its retail business.

C. Procedures to Track and Remit. iBasis has systems in place that are adequate to track and remit payphone compensation related to its retail business. A draft of our internal procedures is attached. In addition, iBasis has contracted Billing Concepts, Inc. ("BCI") to process payphone data and remit payment to payphone service providers ("PSPs"), on iBasis' behalf. BCI has filed a comprehensive Systems Audit Report of its own with the Commission, and we have reviewed the associated SAS 70, which confirms BCI's ability to perform the required services on our behalf. Moreover, in discussions with representatives for PSPs, iBasis has been informed that its use of BCI provides payphone owners with adequate assurances that payphone compensation will be properly remitted. BCI will be compensating PSPs starting with iBasis' July 1 – September 30, 2004 obligations.

D. Systems Audit. For the required System Audit Report, iBasis has consulted multiple auditors to perform such report, and has contracted to have a finalized audit after our July 1 – September 30, 2004 cycle is completed.

E. Updated Contact Information. Persons responsible for handling payphone compensation and for resolving disputes with payphone service providers are:

Initial contact:

Peggy Gaitan  
Billing Concepts, Inc.  
7411 John Smith Drive  
Suite 200  
San Antonio, TX 78229



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Tel: 210-949-7109  
[peggy.gaitan@billingconcepts.com](mailto:peggy.gaitan@billingconcepts.com)

Escalation contact:

Bradford Guth  
Senior Director, Financial Operations and Analysis  
iBasis, Inc.  
20 Second Avenue  
Burlington, MA 01803  
Tel: 781-505-7500  
[bguth@ibasis.net](mailto:bguth@ibasis.net)

## II. iBasis' Wholesale Business

A. Inability to Identify Calls. Although a variety of different scenarios may apply depending on the call and iBasis' relationship with its carrier customers, we provide a basic description of iBasis' wholesale business, specifically, the circumstances in which iBasis acts as a transport provider. With respect to calls originated from payphones, a basic call path could be as follows:

- An end user customer of a facilities-based interexchange carrier ("FB-IXC") originates an international call from a payphone (through the use of a calling card issued by such FB-IXC, by dialing a toll-free access number); then
- The local exchange carrier ("LEC") serving that payphone will route the call to the FB-IXC; then
- The FB-IXC platform answers the call, at which time a "connect" message is sent back to the originating LEC central office. The FB-IXC authenticates the caller and authorizes the call. Once the caller enters a destination number, the FB-IXC routes the call to one of iBasis' international Internet telephony Gateways. The FB-IXC passes no information regarding the origination point of the call, whether it be ANI, payphone NXXs, or other information; then
- iBasis transports the call over the Internet to a terminating carrier or service partner in the foreign destination country.

B. iBasis' Limited Role in Utilizing Payphone Services. As described above, with respect to its wholesale business, iBasis is exclusively a transport provider. iBasis' role is limited to delivering calls over the Internet to an international destination, and enters into agreements with carriers to enable those carriers to transmit international calls.



C. iBasis is Not the Primary Economic Beneficiary. Since the first payphone order was issued in 1996, the Commission has consistently maintained that the "the primary economic beneficiary of payphone calls should compensate the PSPs."<sup>1</sup> In its wholesale business, iBasis has no involvement in, much less does it benefit from, the terms and conditions relating to retail services offerings by our customers to their end users. In addition, the Commission recognized that certain entities did not have the ability to track calls, so "[i]n the interests of lower costs and administrative convenience, the Commission placed the responsibility on the entity with control over the tracking data . . ."<sup>2</sup> Although the specific entity responsible for payphone compensation has changed over time (with the Commission most recently declaring that the "Completing Carrier" or "Switched-Based Reseller is responsible), the Commission's fundamental policy of imposing payphone compensation on the primary economic beneficiary of payphone calls, and the entity that is best able to track payphone data, has never changed.

Accordingly, iBasis interprets the *Payphone Order* and the *Order on Reconsideration* in the reasonable and logical way as it pertains to iBasis wholesale transport business, i.e. to the extent that payphone compensation is due on a call where another entity is (or should be) charging end users for the payphone compensation and iBasis is a wholesale transport provider, iBasis is not a Completing Carrier, but rather its carrier customers are.

D. Alternative Steps to Ensuring Payphone Compensation. iBasis is taking steps to ensure that payphone compensation is being paid in the context of its wholesale business. Specifically, iBasis is entering contract amendment negotiations with its carrier customers, pursuant to which such customers will specifically acknowledge and agree, for example, that they are the primary economic beneficiary of payphone originated calls and, as between the parties, will be responsible for payphone compensation even when they use iBasis for international Internet telephony wholesale transport. In addition, iBasis has engaged in conversation with counsel for some of the nations' largest payphone owner coalitions to discuss technical and operational issues associated with payphone compensation in the international Internet telephony wholesale transport context with the goal that PSPs be compensated.

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<sup>1</sup> *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-388, Report and Order, 11 F.C.C. Rcd. 20541 (1996) (the "*First Payphone Order*").

<sup>2</sup> *Id.* at 20586, ¶ 86.



### III. The FCC's Rules Are Ambiguous as to the Obligations of Internet Telephony Providers

In its October 3, 2003 payphone order (the "*Payphone Order*")<sup>3</sup> and its October 22, 2004 order on reconsideration (the "*Order on Reconsideration*")<sup>4</sup>, the FCC declared that the "last switched-based long distance carrier is always liable for compensation"<sup>5</sup> (last switched-based long distance carrier is also referred to by the FCC as the "Completing Carrier"). A switch-based long distance carrier is defined tautologically as a "carrier that switches long distance traffic using a switch that it owns or leases."<sup>6</sup> Significant unresolved questions of law exist as to the application of these rules in the Internet telephony context. For example, the law is ambiguous as to the following:

- Whether Internet telephony providers are "carriers" for the purposes of the payphone compensation rules, which impose liability on "Completing Carriers";
- Whether IP-based gateway routing equipment constitutes a "switch" for the purposes of the payphone compensation rules, which impose payphone compensation liability on "last switched-based long distance carrier";
- Whether wholesale Internet telephony transport service providers are subject to payphone compensation; and
- Whether the presence of IP-based gateway routing equipment alters the analysis of which entity is in the best position to track and pay payphone compensation.

### IV. Conclusion

The objective of the Commission's payphone compensation rules is to ensure that payphone owners are compensated, and to ensure that the primary economic beneficiary of a payphone call, and the entity that is able to track compensable calls, be responsible for such payment. iBasis submits that its approach to payphone compensation is consistent with the Commission's objectives.

<sup>3</sup> *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Report and Order, 18 F.C.C. Rcd. 19975, (2003) (the "*Payphone Order*").

<sup>4</sup> *The Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, Order on Reconsideration, CC Docket No. 96-128 (rel. Oct. 22, 2004) (the "*Order on Reconsideration*").

<sup>5</sup> *Order on Reconsideration* at ¶12; see also 47 C.F.R. § 64.1300(a).

<sup>6</sup> *Payphone Order* at ¶1, FN1.



Marlene H. Dortch  
November 24, 2004  
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I can be reached at the above address, at 781-505-7955, or [jdraluck@ibasis.net](mailto:jdraluck@ibasis.net).

Respectfully submitted,

/ s /

Jonathan Draluck  
Vice President Business Affairs  
& General Counsel

Attachment



### **iBasis, Inc. Payphone Compensation Audit Program Plan of Action (draft 10/04)**

These procedures are designed to ensure that with respect to payphone compensation and the required System Audit Report, iBasis complies with each of the following criteria:

- iBasis' procedures accurately reflect the Commission's Rules;
- iBasis has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls;
- iBasis has effective data monitoring procedures;
- iBasis adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone call tracking ability;
- iBasis has created a compensable payphone call file by matching call detail records against payphone identifiers;
- iBasis has procedures to incorporate call data into required reports;
- iBasis has implemented procedures and controls needed to resolve disputes;
- That the independent third-party auditor can test all critical controls and procedures to verify that errors are insubstantial; and
- iBasis has adequate and effective business rules for implementing and paying payphone compensation, including rules used to:
  - identify calls originated from payphones;
  - identify compensable payphone calls;
  - identify incomplete or otherwise noncompensable calls; and
  - determine the identities of the PSPs to which iBasis owes compensation.



### Payphone Compensation Procedures

All calls on the iBasis network are captured in logs and call detail records are produced containing information of the call times, calling IDs and call status. Call detail records are collected hourly and loaded into the call detail database. The data is retained in a database with reference data needed for describing the calls.

Call Detail is stored on line for one year and archived off line for 3 years.

A monthly procedure is executed to extract all payphone call detail records.

The procedure selects all Toll Free Payphone calls for each reporting period where the CDR start date is within selected month and OLI Code = 25 and the call duration > 0.

The procedure then matches 800 Access Number to Circuit Provider using the iBasis access number database.

The compensation file is produced containing:

Field Name	Position	Length	Description
RecordID	1	2	"CD"
ANI	3	10	Payphone ANI
Access Code/Number	13	10	Toll free DID, 800 (8xx, 9xx) access number
CIC/Account #/ Identifier	23	20	Circuit Provider Code; alpha/number field; Right justified
Call Date	43	8	Start Date of Call, format yyyymmdd
Call Time	51	6	Start Time of the Call Format: hhmmss
Call Duration	57	6	Length of call in seconds (zero filled - right justified) From second call starts on gateway to disconnect
For Customer Use	63	22	Unique data for iBasis, not yet defined

The process produces monthly compensation files for the payphone clearinghouse, BCI, IBS\_calls\_ymm.txt. The file is forwarded to an FTP Site, EXPOS FTP server at address <ftp://expos.billingconcepts.com/>.



BCI receives files from PSPs containing Payphone ANIs. It also receives transfer files from 800 number providers. ANIs are validated and matched, and files are then transferred to PSPs.

BCI produces quarterly reports of compensable calls by Circuit Provider and PSP. The compensation amount for the Payphone Service providers is a fixed rate per call. On September 27, the rate changed from \$.24 to \$.494 .

BCI will remit quarterly payments to Payphone Providers and bill iBasis for compensable calls reported

#### **Identification of Transfer Carriers**

The carrier that transferred the toll free payphone calls to iBasis must be identified. These carriers are identified by Carrier Identification code, CIC. Current codes include:

Carrier	CIC
Global Crossing	0444
MCI	0222
Qwest	0432
Callipso	None

Qwest CIC code is: 0432

Qwest uses MCI CIC 0222 in Alaska, USVI, and Puerto Rico

Qwest uses MCI CIC 0222 for the following LATAs:

921- Fisher's Island, NY and portions of Montana:

406.275

406.528

406.675

406.676

406.741

Callipso does not have its own CIC code.

Callipso has told us this entry may be blank when reporting as there is other information included on the form that identifies them.



The following file will accompany the compensation file to identify the carriers that transferred the payphone calls to iBasis:

Field Name	Position	Length	Description
RecordID	1	3	BC ID - ID provided by BC
Account #/Identifier	4	20	CIC number for the transferring Carrier Format, alpha/number field: right justified
Company Name	24	40	Company name corresponding to the Account #/Identifier in position 4
Address1	64	25	Address1 corresponding to the Account #/Identifier in Position 4.
Address2	89	25	Address2 corresponding to the Account #/Identifier in Position 4.
City	114	15	City corresponding to the Account #/Identifier in Position 4.
State	129	2	State corresponding to the Account #/Identifier in Position 4.
Zip	131	9	Zip corresponding to the Account #/Identifier in Position 4.
Telephone Number	140	10	Contact telephone number corresponding to the Account #/Identifier in Position 4.
Contact Name	150	40	Contact name corresponding to the Account#/Identifier in Position 4.



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**ATTACHMENT 4**

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## APPENDIX C - FINAL RULES

Part 64 of the Code of Federal Regulations is amended as follows:

**PART 64 - MISCELLANEOUS RULES RELATING TO COMMON CARRIERS**

1. The authority for part 64 remains unchanged.
2. Section 64.1300 is amended by revising paragraph (a), adding a new paragraph (b), and redesignating prior paragraphs (b) and (c) as (c) and (d) to read as follows:

**§ 64.1300 Payphone compensation obligation.**

(a) For purposes of this subpart, a Completing Carrier is a long distance carrier or switch-based long distance reseller or IP-enabled provider that completes a coinless access code or subscriber toll-free payphone call or a local exchange carrier or IP-enabled provider that completes a local, coinless access code or subscriber toll-free payphone call. For purposes of 47 C.F.R. §§ 64.1300-20, a call is any communication that originates from a payphone.

(b) Except as provided herein, a Completing Carrier that completes a coinless access code or subscriber toll-free payphone call, regardless of whether the call is transmitted in whole or in part in Internet Protocol, from a switch or router that the Completing Carrier either owns or leases shall compensate the payphone service provider for that call at a rate agreed upon by the parties by contract.

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3. Section 64.1310 is amended by revising paragraphs (a), (b), and (c), redesignating prior paragraphs (c), (d) and (e) as (d), (e) and (f) to read as follows, and adding a new paragraph (g):

**§ 64.1310 Payphone compensation procedures.**

(a) Unless the payphone service provider agrees to other compensation arrangements, each Completing Carrier identified in section 64.1300(a) shall compensate the payphone service provider as follows:

- (1) Each Completing Carrier shall establish a call tracking system that accurately tracks coinless access code or subscriber toll-free payphone calls to completion.
- (2) Each Completing Carrier shall pay compensation to payphone service providers on a quarterly basis for each completed payphone call identified in the Completing Carrier's quarterly report required by paragraph (a)(4) of this section.
- (3) At the conclusion of each quarter, the chief financial officer of the Completing Carrier shall submit to each payphone service provider to which compensation is



tendered a sworn statement that the payment amount for that quarter is accurate and is based on 100% of all completed calls that originated from that payphone service provider's payphones.

(4) At the conclusion of each quarter, the Completing Carrier shall submit to the payphone service provider, in computer readable format, a report on that quarter that includes:

- (i) A list of the toll-free and access numbers dialed from each of that payphone service provider's payphones and the ANI for each payphone;
- (ii) The volume of calls for each number identified in paragraph (a)(4)(i) of this section that were completed by the Completing Carrier;
- (iii) The name, address, and phone number of the person or persons responsible for handling the Completing Carrier's payphone compensation; and
- (iv) The carrier identification code ("CIC") of all facilities-based long distance carriers or providers that routed calls to the Completing Carrier, categorized according to the list of toll-free and access code numbers identified in paragraph (a)(4)(i) of this section. In the event that a provider does not have a CIC, the Completing Carrier shall instead submit information that identifies the provider with no less specificity than would a CIC.

(b) For purposes of this subpart, an Intermediate Carrier is a facilities-based long distance carrier or provider that switches or routes payphone calls to other facilities-based long distance carriers or providers.

(c) Unless the payphone service provider agrees to other reporting arrangements, each Intermediate Carrier shall provide the payphone service provider with quarterly reports, in computer readable format, that include:

- (1) A list of all the facilities-based long distance carriers or providers to which the Intermediate Carrier switched toll-free and access code calls dialed from each of that payphone service provider's payphones;
- (2) For each facilities-based long distance carrier or provider identified in paragraph (c)(1) of this section, a list of the toll-free and access code numbers dialed from each of that payphone service provider's payphones that all local exchange carriers have delivered to the Intermediate Carrier and that the Intermediate Carrier switched to the identified facilities-based long distance carrier;
- (3) The volume of calls for each number identified in paragraph (c)(2) of this section that the Intermediate Carrier has received from each of that payphone service provider's payphones, identified by their ANIs, and switched to each facilities-based long distance



carrier or provider identified in paragraph (c)(1) of this section; and

(4) The name, address and telephone number and other identifying information of the person or persons for each facilities-based long distance carrier or provider identified in paragraph (c)(1) of this section who serves as the Intermediate Carrier's contact at each identified facilities-based long distance carrier or provider.

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(g) Each Completing Carrier and each Intermediate Carrier must maintain verification data to support the quarterly reports submitted pursuant to paragraphs (a)(4) and (c) of this section for 18 months after the close of that quarter. This data must include the time and date that each call identified in paragraphs (a)(4) and (c) of this section was made. This data must be provided to the payphone service provider upon request.

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4. Section 64.1320 is amended by revising the Title, paragraphs (a) and (b), and by adding paragraphs (c), (d), (e), (f), and (g) to read as follows:

**§ 64.1320 Payphone Call Tracking System Audits.**

(a) As a precondition to tendering payment pursuant to section 64.1310(a), all Completing Carriers must undergo a system audit of their section 64.1310(a)(1) tracking system by an independent third party auditor whose responsibility shall be, using audit methods approved by the American Institute for Certified Public Accountants, to determine whether the call tracking system accurately tracks payphone calls to completion.

(b) By the effective date of these rules, each Completing Carrier in paragraph (a) of this section must file an audit report from the auditor (the "System Audit Report") regarding the Completing Carrier's compliance with section 64.1310(a)(1) as of the date of the audit with the Commission's Secretary in CC Docket No. 96-128 and with each payphone service provider for which it completes calls and with each facilities-based long distance carrier or provider from which it receives payphone calls.

(c) The Completing Carrier must comply with, and the third-party auditor must verify, the Completing Carrier's compliance with the following factors in establishing a call tracking system pursuant to section 64.1310(a)(1):

- (1) Whether the Completing Carrier's procedures accurately track calls to completion;
- (2) Whether the Completing Carrier has a person or persons responsible for tracking, compensating, and resolving disputes concerning payphone completed calls;
- (3) Whether the Completing Carrier has effective data monitoring procedures;



- (4) Whether the Completing Carrier adheres to established protocols to ensure that any software, personnel or any other network changes do not adversely affect its payphone call tracking ability;
  - (5) Whether the Completing Carrier has created a compensable payphone call file by matching call detail records against payphone identifiers;
  - (6) Whether the Completing Carrier has procedures to incorporate call data into required reports;
  - (7) Whether the Completing Carrier has implemented procedures and controls needed to resolve payphone compensation disputes;
  - (8) Whether the independent third-party auditor can test all critical controls and procedures to verify that errors are insubstantial; and
  - (9) Whether the Completing Carriers has in place adequate and effective business rules for implementing and paying payphone compensation, including rules used to:
    - (i) identify calls originated from payphones; (ii) identify compensable payphone calls;
    - (iii) identify incomplete or otherwise noncompensable calls; and (iv) determine the identities of the payphone service providers to which the Completing Carrier owes compensation.
- (d) Consistent with standards established by the American Institute of Certified Public Accountants for attestation engagements, the System Audit Report shall consist of: (1) the Completing Carrier's representation concerning its compliance; and (2) the independent auditor's opinion concerning the Completing Carrier's representation of compliance. The Completing Carrier's representation must disclose (i) its criteria for identifying calls originating from payphones; (ii) its criteria for identifying compensable payphone calls; (iii) its criteria for identifying incomplete or otherwise noncompensable calls; (iv) its criteria used to determine the identities of the payphone service providers to which the completing carrier owes compensation; (v) the identity of any clearinghouses the Completing Carrier uses; and (vi) the types of information that the Completing Carrier needs from the payphone service providers in order to compensate them.
- (e) At the time of the filing of System Audit Report with the Commission, the Completing Carrier shall file with the Commission's Secretary, and the facilities-based long distance carriers and payphone service providers identified in paragraph (b) of this section, a statement that includes the name of the Completing Carrier, and the name, address and phone number for the person or persons responsible for handling the Completing Carrier's payphone compensation and for resolving disputes with payphone service providers over compensation, and this statement shall be updated within 60 days of any changes of such persons.
- (f) One year after the filing of the System Audit Report, and annually thereafter, the Completing Carrier shall engage an independent third-party auditor to: (1) verify that no material changes have occurred concerning the Completing Carrier's compliance with the criteria of the prior



year's System Audit Report; or (2) if a material change has occurred concerning the Completing Carrier's compliance with the prior year's System Audit Report, verify that the material changes do not affect compliance with the audit criteria set forth in paragraph (c) of this section. The Completing Carrier must fully disclose any material changes concerning its call tracking system in its representation to the auditor. The Completing Carrier shall file and provide copies of all System Audit Reports pursuant to the procedures set forth in paragraph (b) of this section.

(g) Subject to protections safeguarding the auditor's and the Completing Carrier's confidential and proprietary information, the Completing Carrier shall provide, upon request, to the payphone service provider for inspection any documents, including working papers, underlying the System Audit Report.



# CERTIFICATE OF SERVICE

I hereby certify that on March 23, 2005, the foregoing petition was sent via overnight mail, or via electronic mail, or via courier to the following:

Jeffrey Carlisle  
Bureau Chief  
Wireline Competition Bureau  
Federal Communications Commission  
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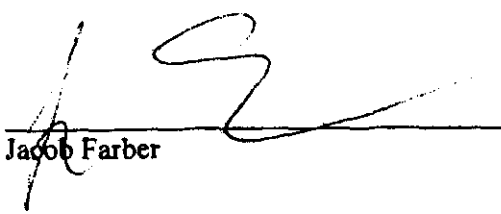
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